

PRESS RELEASE

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NSE to launch derivatives on Nifty Next 50 Index (NIFTYNXT50) from April 24, 2024

National Stock Exchange of India (NSE), the world's No 1 derivatives exchange in the year 2023 based on contracts traded, has received approval for Derivatives on Nifty Next 50 index (NIFTYNXT50) from the Securities and Exchange Board of India (SEBI) and will launch these contracts from **April 24, 2024**.

Exchange will offer 3 serial monthly index futures and index options contract cycle. The cash settled derivatives contracts will expire on the last Friday of the expiry month.

The Nifty Next 50 Index represents 50 companies from Nifty 100 after excluding the Nifty 50 companies. As on March 2024, the index had top sector representation from financial services sector with 23.76% weight followed by capital goods sector with 11.91% and consumer services with 11.57%. The index was introduced on January 1, 1997, with base date and base value being November 03, 1996, and 1000 respectively. Over the years, the index methodology has undergone revision. The index computation methodology was revised to Free Float Market Capitalisation weighted method from May 4, 2009. Subsequently, weight capping was introduced for constituent stocks on which derivatives were not available. This was revised in 2023 to cumulative weight of non-F&O stocks capped at 10% and non-F&O stocks in the index are individually capped at 4.5% on quarterly rebalance dates.

The market capitalization of index constituents stands at Rs 70 trillion representing about 18% of total market capital of the stocks listed on NSE as on March 29, 2024. The aggregate daily average turnover of index constituents stood at Rs 9,560 crores accounting for around 12% of cash market turnover in FY24.

The Nifty Next 50 index has a 71% correlation and a Beta value of 0.95 with the Nifty 50 Index. It has a correlation of 90% with Nifty Midcap 150 index in financial year 2024.

In recent years, Exchange had introduced derivatives on Nifty Midcap Select Index (MIDCPNIFTY) in January 2022 and derivatives on Nifty Financial Services index (FINNIFTY) in January 2020 in the equity derivatives segment and multiple products in commodity derivatives segment. The MIDCPNIFTY

Derivatives has seen peak at Rs 2,888 crores of futures turnover, 16.7 crores of option contracts traded and option premium turnover of Rs 17,283 crores. The FINNIFTY Derivatives has seen peak at Rs 1,288 crores of futures turnover, 38.2 crores of option contracts traded and option premium turnover of Rs 32,994 crores. In the commodity derivatives segment, the Option of WTI Crude Oil Futures has seen a peak of 1,02,304 contracts.

On the occasion, **Shri Sriram Krishnan, Chief Business Development Officer, NSE** said “The introduction of derivatives on the Nifty Next 50 index (NIFTYNXT50) will well complement the existing index derivatives product suite. The Nifty Next 50 index will represent the space between the Nifty 50 index comprising the top large & liquid stocks and the Nifty Midcap Select index comprising the top large & liquid mid capitalised stocks”.

Issued in interest of investors

About National Stock Exchange of India Limited (NSE):

National Stock Exchange of India (NSE) is the world’s largest derivatives exchange by trading volume (contracts) as per the statistics maintained by Futures Industry Association (FIA) for calendar year 2023. NSE is ranked 3rd in the world in equity segment by number of trades (electronic order book) in 2023, as per the statistics maintained by World Federation of Exchanges (WFE). NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading, clearing members and listed companies with the rules and regulations of SEBI and the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology.

For more information, please visit: www.nseindia.com

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